

InvestorPresentation



Ameriabank at a Glance

2023 Q1 Snapshot

2023 Q1 Financial Results

Strategy Highlights

Appendices



Improving the quality of life

A leading bank in Armenia

A leader in the market by key financial indicators for almost a decade, offering a window onto the whole Armenian Economy

Omni channel distribution platform with focus on digital products and ecosystems

Offloading rate* of 98%, cash offloading rate** of 80%, online banking penetration rate of 66%, rapidly increasing number of monthly active users

Superior customer and employee experience

High service quality and customer satisfaction scores, high employee satisfaction and engagement levels, proven leadership by culture and values

Best in class ESG practices

Doing business responsibly and promoting ESG culture, first Green Bond issuer in the country, best practice corporate governance, professional Board and experienced management team

Robustness and Resilience with Significant Growth Potential Sustaining decent performance during challenging times, postpandemic accelerated growth and enhanced financial performance, with record high profitability in 2022

Attractive Macro Fundamentals

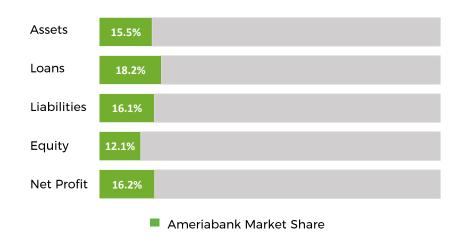
Emerging economy, with proven resilience towards crises and external shocks, double digit GDP growth in 2022, lowest inflation in the region



A leading bank in Armenia

Overview

- A leading universal bank in Armenia, offering corporate, investment and retail banking services
- Major contributor to the Armenian banking sector development
- Ongoing appreciation and quality recognitions by reputable global institutions
- Highest possible credit ratings within current sovereign rating constraints









largest ATM network in the capital



largest network of vPOS terminals in the country



one of the largest networks of POS terminals in the country

Ownership Structure





Ba3 Moody's



Afeyan Foundation for Armenia inc. 7.5%



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2023 Q1 **Achievements**

as of 2023 Q1

786 B Loans* of AMD 1,307 B Assets of AMD 1,142 B Liabilities of AMD

948 B Deposits** of AMD 166B **Equity of AMD**

11.3 B Profit of AMD

- Named the Best Bank and the Best Investment Bank in Armenia for 2023 by Global Finance magazine.
- High net profit of AMD 11.3B, up by 50.8% YoY.
- The offloading rate and cash offloading rate stood at 98% and 80% respectively, while online banking penetration rate reached 66%, up by 3pp YtD.
- NPS reached 76.9%, while CEI*** comprised 9.5.







^{*} net of impairment allowances and including TF

^{**} Current Accounts, Time Deposits and Bonds

^{***} Client Experience Index with max possible value of 10

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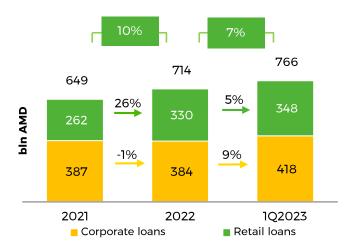
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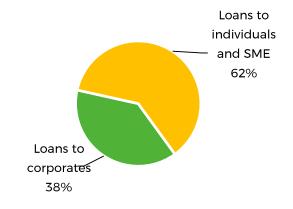


Core business

Loan portfolio



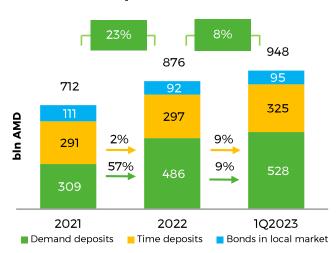
Loan portfolio breakdown



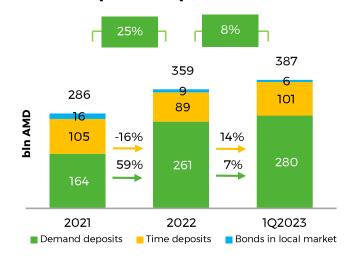
Highlights

- High share of retail and SME loans (62%) in line with the Bank's universal banking model.
- The Bank is the 1st in the market by loan portfolio, with 6.8% (7.3%*) growth YoY. Total loans' market share reached 18.2%, up by 0.6pp.
- Both Corporate and Retail segments loan portfolios registered stable growth, increasing by 9% and 5% YoY respectively.
- The Bank is a leader in the local corporate bond market with 20% market share.
- Total deposits and bonds increased by 8.3% (9.2*) YoY due to both time and demand deposits growth. Retail deposits and bonds increased by 9% despite uncertainties deriving from current economic and geopolitical situation.

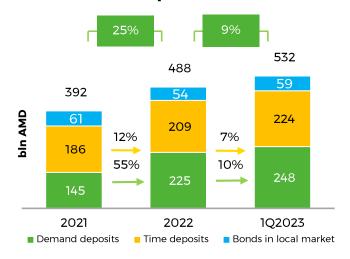
Deposit & bonds**



Corporate deposits & bonds



Retail deposits & bonds



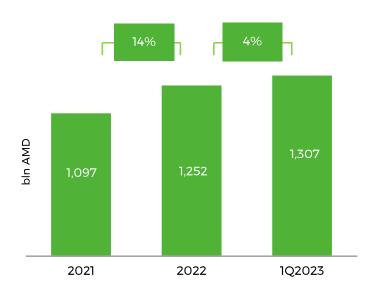
⁰⁷ Investor Presentation Ameriabank.am

^{*} on a constant currency basis

^{**} Bonds in the local market include bonds issued in the local market and sold to Retail and Corporate clients, as well as FIs

Assets & Liabilities structure

Assets

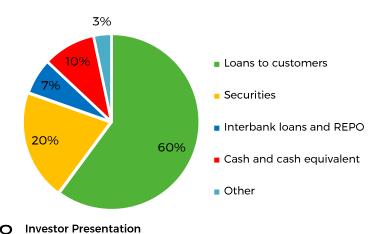


Liabilities and equity

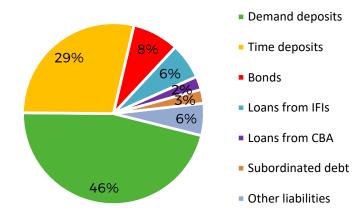


Structure of assets

Ameriabank.am



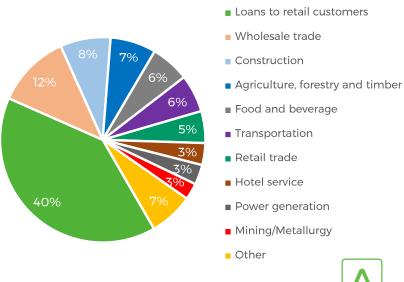
Structure of liabilities



Highlights

- Diversified balance-sheet structure with 88% interest earning assets to total assets and 81% customer funds to total liabilities.
- · Maintaining exceptional sectorial diversification of loan portfolio, with balanced exposure to all industries.
- Total assets increased by 4.4% YoY. Equity decreased by 3.7% YoY due to dividend payment in the first quarter of 2023.

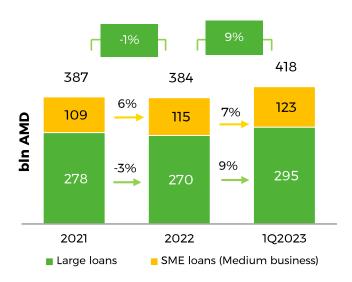
Loan portfolio structure



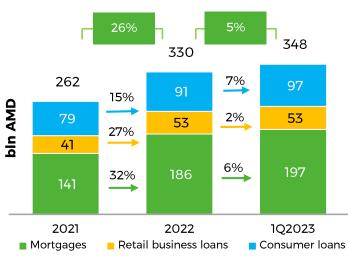


Corporate & Retail Banking

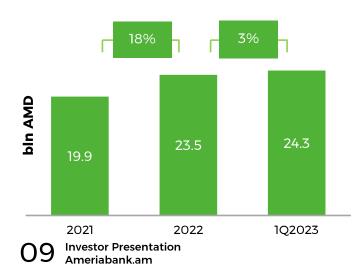
Corporate loans



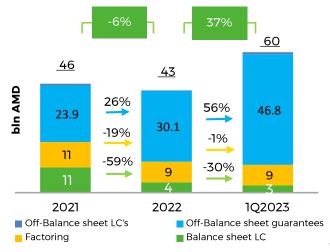
Retail loans



Finance Lease



Trade Finance (balance / off balance)



Highlights

- Corporate loans portfolio increased by 9% mainly due to large loans and SME loans. On a constant currency basis Corporate loan portfolio increased by 9.5% YoY.
- Total SME loan portfolio reached AMD 177b increasing by 6% YtD.
- Trade finance total portfolio (balance and off balance) increased by 37% YtD due to high growth of off balance quarantees.
- Retail loan portfolio recorded 5.4% growth YtD, with mortgage and consumer loans registering higher growth rates.
- The bank's share in total market retail loans* reached 16% (up by 0.3pp), with 22% share in mortgage market.

AMD 348_b

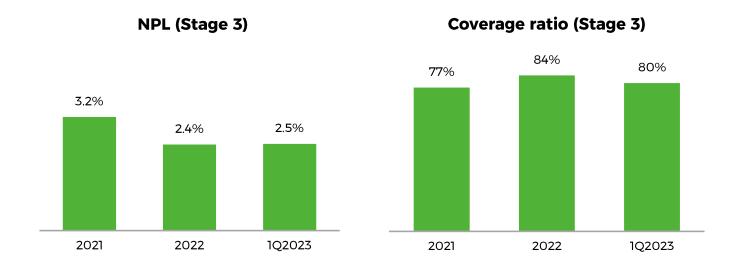
retail loans

AMD 418_h

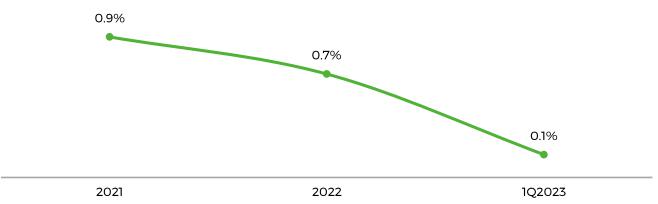
corporate loans



Loan Portfolio Quality







Highlights

- NPL ratio has not changed significantly since YE 2022 standing at 2.45%, which is close to the historical minimum.
- Cost of credit risk improved by 0.5pp mainly supported by improved statistics of retail loans.
- Coverage ratio decreased vs YE2022 primarily due to a reduction in ECL rates for retail products, resulting from improved non-performing loan dynamics over the past 12 months.

2.5%

0.1%

NPL

Cost of credit risk

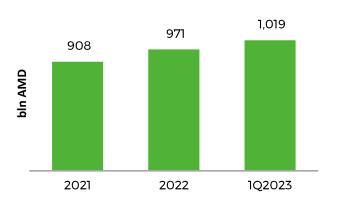
80%

Coverage ratio

Capital



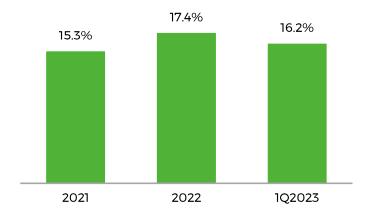
Risk Weighted Assets



Highlights

- Capital adequacy ratios slightly decreased because of dividend payments but still remained comfortably above the minimum regulatory requirements.
- The Bank is committed to maintaining high capital standards in line with the increasing capital buffers timeline.

Total Capital Adequacy Ratio

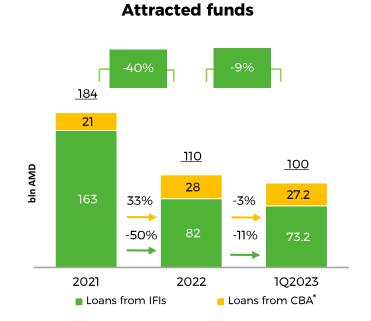


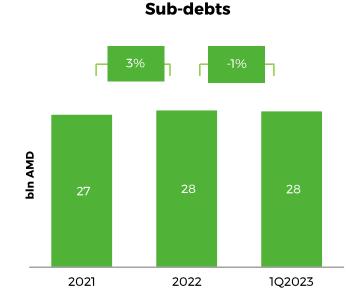
16.2%

CAR



Funding & Liquidity

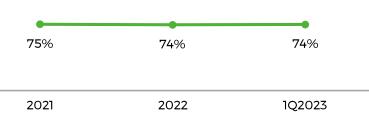




Highlights

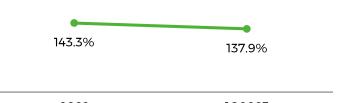
- The 9% decrease in senior loans attractions was due to shifts in funding attraction schedules changes in line the Bank's liquidity needs.
- Sub-debt portfolio remained almost flat.
- Liquidity ratios (LCR & NSFR) are well above the required thresholds (100%).

LCR (Liquidity Coverage Ratio)



Loans to deposits and borrowings ratio



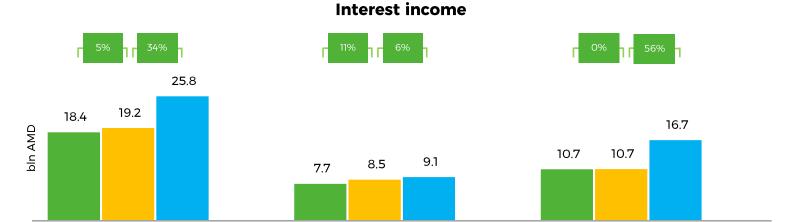


NSFR (Net Stable Funding Ratio)

2022 1Q2023



Income



Highlights

Net interest income

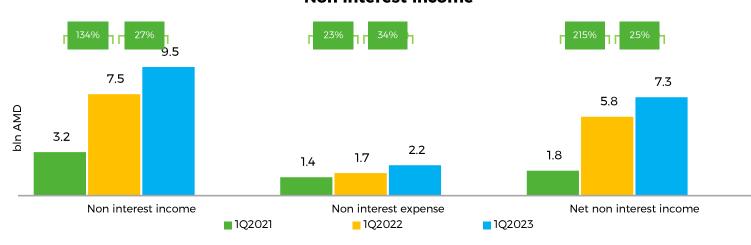
- Net interest income increased by 56% YoY, exceeding the total market's net interest income growth by 10pp, and proving the sustainability of the Bank's profit generation.
- The Bank continued its Balance Sheet management optimization actions to improve NIM. As a result, the Bank's NIM outperformed the market average and stood at 6.0%
- Net non interest income increased by 25% YoY mainly due to significantly higher income from commissions and FX transactions.

Non interest income

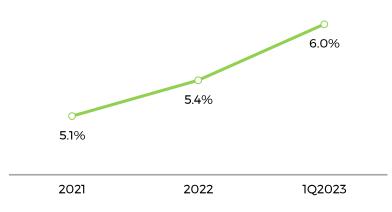
Interest expense

1Q2023

1Q2022



NIM (Net Interest Margin)





Interest income

1Q2021

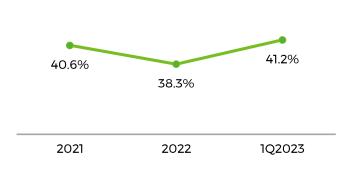
Efficiency & Profitability

102023

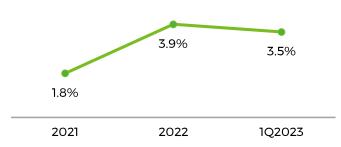
Net profit 89% 51% 11.3 7.5 4.0

102022

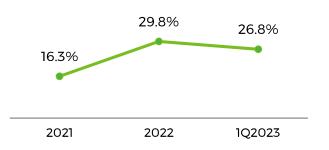
CIR (Cost to Income ratio)



ROA (Return on Assets)



ROE (Return on Equity)



Highlights

- Net profit increased by 51% YoY. The drivers were net interest income, fees, commissions and FX income, as well as savings from loan loss charges. Continuous YoY significant growth of net profit shows the sustainability of underlying factors.
- Strong profit generation since 1Q2022 resulted in significant improvement of profitability with ROE reaching 26.8% in 1Q2023 which is higher than the market average by 6.0pp.
- The rise in the cost to income ratio was mainly due to the growth in personnel expenses, stemming from performance-related variable remuneration accruals.





102021

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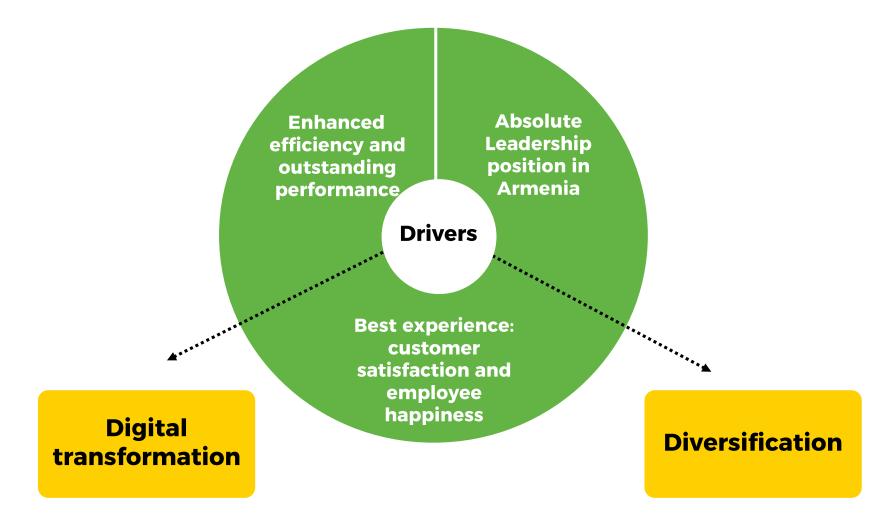
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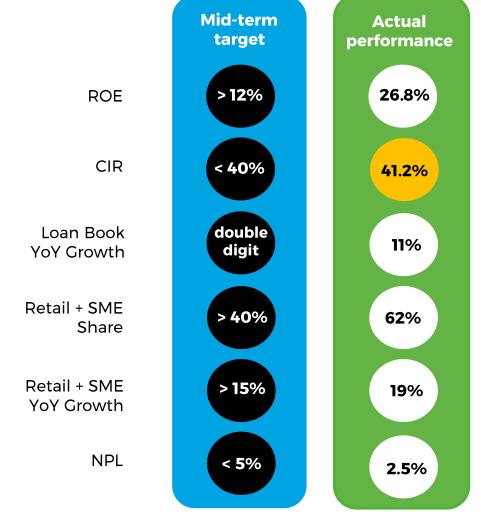


Strategic Objectives





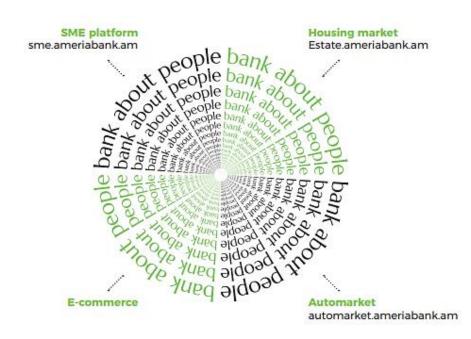
Mid-term Targets





Omni Channel Distribution Platform with Focus on Digital

Customer centric digital ecosystems



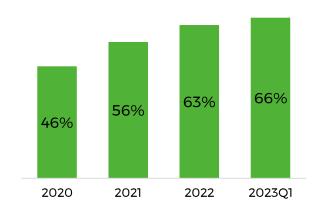




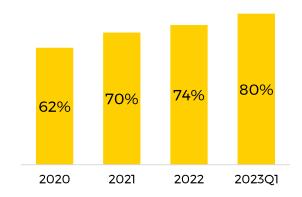




Online banking penetration rate



Cash offloading rate**





^{**}Share of cashless transactions performed via distance and digital channels (IB, MB, POS/VPOS) in the total number of transactions

Superior Customer and Employee Experience

Best customer experience and high satisfaction scores

Current Progress	mid term targets		
76.9% Net Promoter Score (NPS)	≥ 70 %		
9.5 Client Experience Index (CEI)	≥ 9.3		

Online market platforms/ecosystems

Launched ecosystems

ecosystems market penetration rate auto market

- estate market
- E-commerce
- SME ecosystem

≥ 50%

Employee happiness and well-being

82%

Employee satisfaction / happiness index

≥ 80%



Best in Class ESG Practices

Our Sustainability
Strategy

long-term commitment

to creating a sustainable environment and supporting customers' transition towards a carbon neutral economy





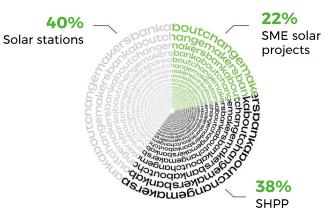




Green Bonds Issuance

- First Green bond issuer in Armenia
- c. USD 60 mn* Green bonds issued in total

Allocation



Impact**

116,144 tons eCO2 emissions avoided

286,232,459 kwh
Estimated annual total clean electricity production

Doing business responsibly and giving back to community

- Best practice E&S risk management
- AMD **180 mn** allocated in 2022 for CSR purposes

 →



Children's healthcare and wellbeing



9



Infrastructure and community development



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Armenia Country Overview

General

GDP: 19.5 bn (2022, current \$)

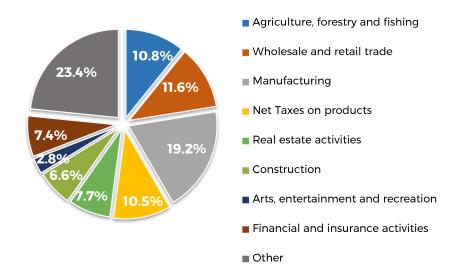
GDP per capita: 6.57K (2022, current \$)

Moody's: Ba3 (negative)

Fitch: B+ (positive) S&P: B+ (positive)

Well Diversified Economy

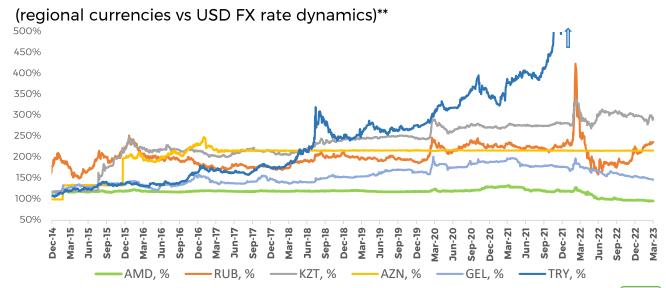
GDP Structure by production*



High Average GDP Growth & Low Inflation

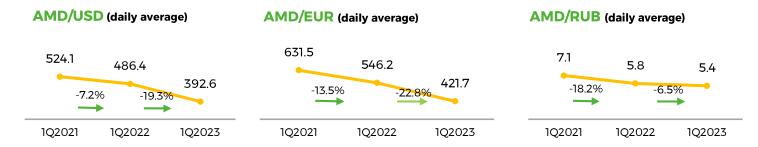


Most Stable Currency in the Region

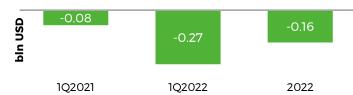




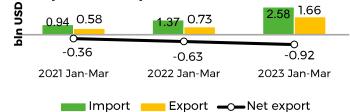
Armenia Macro Indicators



Current account (BOP)*



Import and export



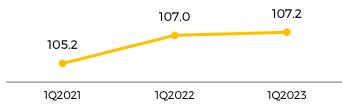
International Reserves



Remittances**



CPI (12m)



Economic Activity Index (IEA 12m)



Highlights

- EAI (GDP growth proxy) for Jan-Mar 2023 comprised 12.2%, which is 2.5pp higher compared to Jan-Mar 2022 partly on the back of base effect. The main drivers of growth in Q1 2023 were service and trade sectors. Industrial output (particularly Manufacturing) and Construction also contributed to the economic activity though to a lesser extent.
- YoY growth of Remittances reached 182%.
 Trade deficit slightly increased due to higher growth rate of import.
- Inflation started to ease, especially in terms of monthly seasonally adjusted dynamics. After peaking at 8.6 percent at YE 2022, inflation fell to 7.2% during the first quarter of 2023. It was still the lowest in the region.
- Armenian dram appreciated by 19.3% against US dollar over 1Q2023 vs 1Q2022 and 9.8% vs 2022 (daily average).
- There was a noticeable accumulation of international reserves and improved fiscal performance.
- Current account deficit improved during 2022 mostly due to services accounts and capital inflow. FDI increased by more than 41%.

Source: Statistical Committee of Armenia, Central Bank of Armenia





^{*}Updated information is not available yet. †Preliminary results.

^{**}Remittances include total commercial and non-commercial transfers of physical persons through the banking system.

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Our Road to Success

1998

Ameria Advisory
was founded by a group
of young repatriated
professionals

2007

1st bank acquisition deal in Armenia:

acquired shares of one of the oldest yet smallest banks in Armenia - Armimpexbank

2010

1st banking merger deal in Armenia:

Ameriabank and Cascade bank signed merger deal

2015

USD 30mln equity investment by EBRD* USD 50mln sub debt from IFC*

1st published international credit rating (**B+ rating** with Stable Outlook by Fitch)

2020-2022

1st Green Bond issuer in

Armenia: issued c. USD 60m Green Bond

Assets exceeding USD 3 billion



2000-2006

Ameria became a **GROUP of companies** with expanded business lines: Legal and Tax Advisory, Business Advisory, Investment Banking, Asset Management

2008-2009

Rebranded to Ameriabank, unprecedented growth amid global crisis

2011-2014

Became the leading bank in Armenia.

Strategic decision to become a universal bank, significantly increasing Retail Banking share

2017-2019

Absolute leader in RA by key financial indicators

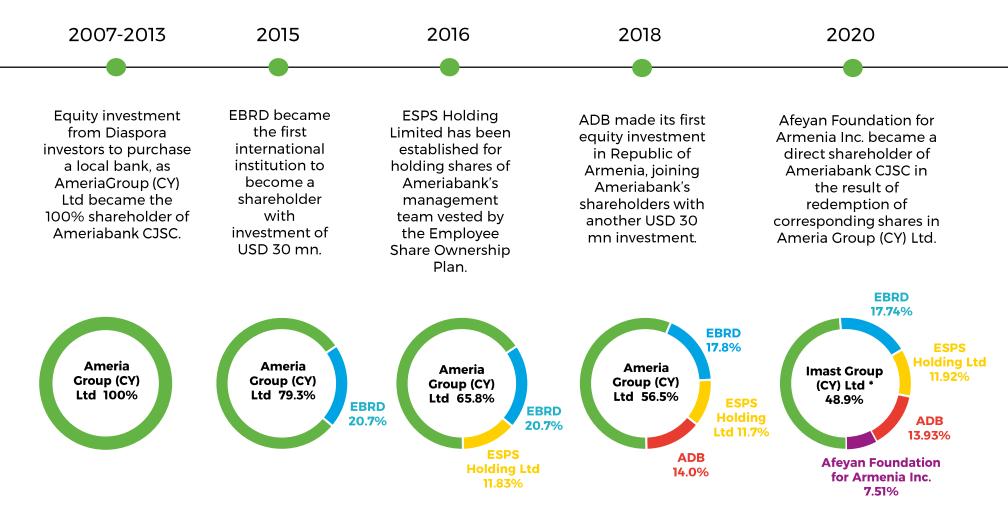
USD 30mln **equity investment by ADB** in early 2018**

Ba3 rating with stable outlook by Moody's **B+ rating** with stable outlook by S&P



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Our Shareholders





Recognition & Honors

for Achievements

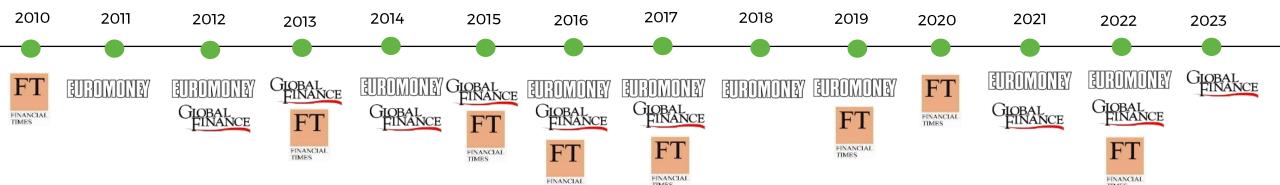
Best Bank in Armenia

Numerous awards and recognitions from global institutions, agencies and IFIs in trade finance, investment banking, capital markets and custody services.









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Strong Team & Corporate Culture

- Unique corporate culture driven by a flat organization and a fully merit based compensation structure
- One of the most professional and talented teams in the local market
- Fully functioning Board committees as per international best practice of public companies
- **Experienced** board members with diverse international background
- Best practice corporate governance system and principles



Board of Directors



Andrew Mkrtchyan Chairman of the Board

Over 25 years of experience in investment and management advisory by standing at the roots of investment banking establishment in Armenia, board member in a number of private/public organizations.



Lindsay M. Forbes Non-executive Board Member

Over 40 years of experience in commercial and investment banking. including more than 20 years with European Bank of Reconstruction and Development (EBRD). Before joining EBRD, Mr. Forbes spent 13 years with the British Linen Bank, the Investment Bank subsidiary of Bank of Scotland.



Lynch
Non-executive
Independent Board
Member

Over 30 years of experience in finance, including more than 20 years with Lehman Brothers in senior positions. Was CEO of Middle East, Asia Pacific and Africa business at Nomura, is currently the founding partner of Stem Capital Partners - an independent direct investment company.



Robert von Rekowsky

Non-executive Independent Board Member

Around 30 years of experience in global asset management, specialized in emerging markets funds, a former vice-president at Emerging Markets Strategy and portfolio manager for Fidelity Investments.



Richard P.
Ogdon

Non-executive Independent Board Member

More than 30 years of experience in the financial sector, with senior positions in investment banks, asset management and advisory companies (UBS Warburg, Uralsib and other Fis), serves as the CEO of TRDATA software company.



Kaha Kiknavelidze

Non-executive Independent Board Member

More than 25 years of experience in commercial and investment banking, has been a long time NED and later CEO of Bank of Georgia Group, the leading financial institution in Georgia. Held executive and top managerial positions at UBS, Rioni Capital and other FIs.



Tigran
Davtyan
Non-executive
Independent Board
Member

About 30 years of experience in the financial system, with senior executive positions at the commercial banks, of which more than 8 years as CEO. Held senior positions at the Central Bank of Armenia and Eurasian Economic Commission.



Management Board



Artak Hanesyan CEO, Chairman of the Management Board

A distinguished banker with more than 25 years of experience in the banking system of Armenia. Has been the CEO of Ameriabank since 2008. Before that Mr. Hanesyan held key positions in the banking sector of Armenia, including positions of CEO and deputy CEO.



Hovhannes Toroyan Chief Financial Officer

More than 15 years of experience in the banking system of Armenia, including more than 10 years with Ameriabank, being responsible for strategy, research, assets and liabilities management.

He became the CFO of Ameriabank in Q3 2022.



Gagik Sahakyan CIB Director

Around 10 years of experience in corporate banking and more than 15 years experience in management advisory. Starting his career at Ameria and leading Ameria advisory services he later moved to corporate banking and has been heading the business line since 2010.



Arman Barseghyan

Retail Banking Director

A proven career track of more than 20 years in retail banking, of which around 15 years at HSBC bank Armenia. Mr. Barseghyan joined Ameriabank as Retail Banking Director in 2012.



Ghazaryan Chief People and Services Officer

Around 20 years of experience in the banking sector of Armenia, of which around 15 years in human resources management (HRM). Mrs. Ghazaryan had been heading Ameriabank's HRM unit since 2008, prior to becoming CPSO in 2019.



Andranik Barseghyan Risk

Management

Director

Around 25 years of experience in financial institutions' risk management and automation technologies. Mr. Barseghyan has been heading Ameriabank's Risk Management Center since 2009.



Gohar Khachatryan Chief

Accountant

Around 30 years of experience in the banking sector of Armenia, of which 10 years at the Central Bank and more than 20 years as the Chief Accountant of Ameriabank.



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Balance Sheet

thsnd AMD

ITEMS	1Q2023	2022
Cash and cash equivalents	126,787,441	112,800,903
Financial instruments at fair value through profit or loss	14,004,250	10,721,168
Available-for-sale financial assets	42,346,265	57,363,607
Money market short-term disbursements	86,408,658	142,051,394
Loans and advances to customers	785,963,724	735,543,120
Held-to-maturity investments	209,746,280	156,701,885
Property, equipment and intangible assets	22,637,802	22,581,859
Other assets	19,441,959	14,065,870
Total assets	1,307,336,379	1,251,829,806
Financial liabilities at fair value through profit or loss	227,994	69,563
Liabilities to banks	64,493,415	66,621,817
Current accounts and deposits from customers	853,534,828	784,634,192
Other borrowed funds	51,648,426	58,124,688
Sub-debt Sub-debt	27,993,808	28,155,324
Other liabilities	143,783,994	142,172,677
Total liabilities	1,141,682,465	1,079,778,261
Share capital and premium	54,618,878	54,618,878
Revaluation Reserve	(1,487,519)	(1,473,167)
Retained earnings	112,522,555	118,905,834
Equity	165,653,914	172,051,545



Profit & loss

		thsnd AMD
ITEMS	1Q2023	1Q2022
Net interest income	16,732,173	10,718,080
Net fee and commission income	3,160,154	1,439,744
Net profit/loss from trading operations	5,476,865	5,275,018
Other operating income (expenses)	(1,370,604)	(881,601)
Operating income	23,998,588	16,551,240
Impairment losses	(277,818)	(1,073,901)
Personnel expenses	(7,508,040)	(4,406,168)
Total administrative expenses	(2,380,754)	(1,852,458)
Profit/ (loss) before tax	13,831,976	9,218,713
Profit tax	(2,515,255)	(1,714,035)
Net profit/(loss)	11,316,721	7,504,678



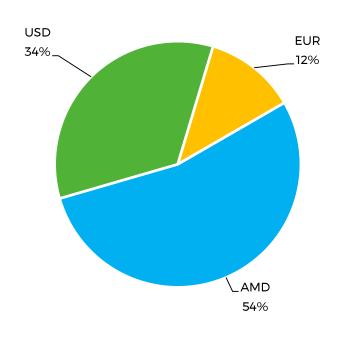
CBA prudential standards

ITEMS	2021	2022	1Q2023	CBA requirement	Violations
Minimum statutory fund (in '000 AMD)	54,385,935	54,414,765	54,414,765	50,000	No violation
Minimum total capital (in '000 AMD)	143,832,191	183,483,587	179,510,050	30,000,000	No violation
S12_Total capital to risk weighted assets	15.29%	17.40%	16.18%	12.00%	No violation
S21_High liquid assets / Total assets	31.84%	30.42%	36.64%	15.00%	No violation
S211_High liquid assets of first group of currency / Total assets of first group of currency	33.46%	30.91%	45.64%	4.00%	No violation
S22_High liquid assets/ Demand liabilities	110.18%	75.48%	87.04%	60.00%	No violation
S221_ High liquid assets of first group of currency / Demand liabilities of first group of currency	121.88%	74.41%	104.86%	10.00%	No violation
S31_Maximum risk on a single borrower	11.75%	17.36%	18.16%	20.00%	No violation
S32_Maximum risk on large-scale borrowers	147.15%	95.47%	111.25%	500.00%	No violation
S41_Maximum risk on bank related person	3.44%	1.62%	2.48%	5.00%	No violation
S42_Maximum risk on all bank related persons	10.28%	8.25%	11.11%	20.00%	No violation
Minimum requirement for obligatory reserves allocated with RA CBA: AMD Currency	X	X	×	4% 18%	No violation
Maximum risk of currency position / Total capital of the bank	0.07%	2.58%	0.23%	10.00%	No violation

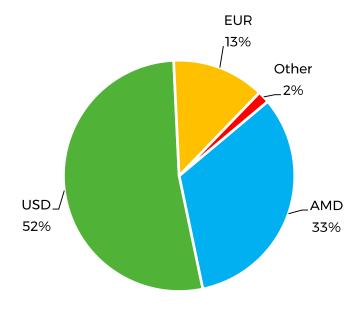


FX Exposure

Currency structure of loan portfolio



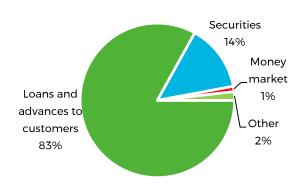
Currency structure of deposits



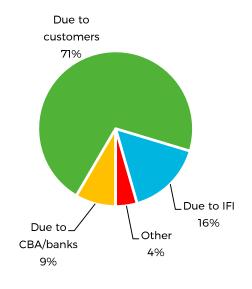


Income Structure

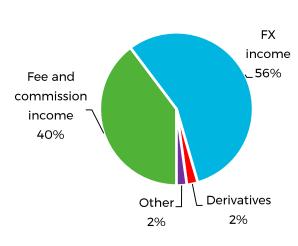
Interest income structure



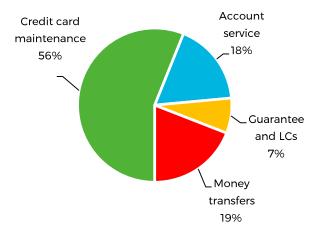
Interest expense structure



Non Interest Income structure

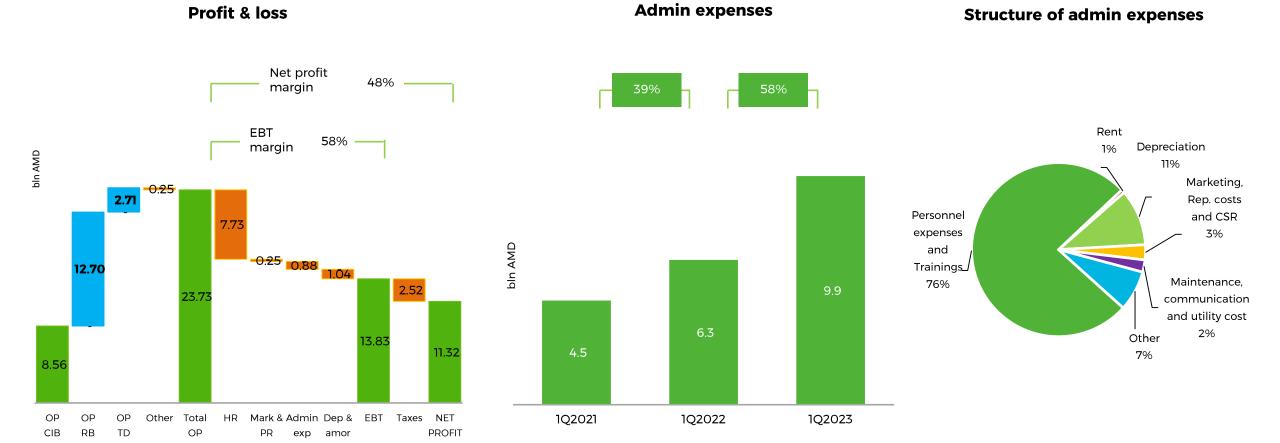


Net fee and commission income structure





P&L Structure





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